#### Small Area Fair Market Rents

# **Frequently Asked Questions**

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#### **General: SAFMR Final Rule**

#### Q1: Where may I find the text of the Small Area FMR final rule?

A1: HUD's Office of PD&R maintains a web page dedicated to Small Area FMRs. This page is available at: <a href="http://www.huduser.org/portal/datasets/fmr/smallarea/index.html">http://www.huduser.org/portal/datasets/fmr/smallarea/index.html</a>. The final rule is available at: <a href="https://www.huduser.gov/portal/datasets/fmr/fmr2016f/SAFMR-Final-Rule.pdf">https://www.huduser.gov/portal/datasets/fmr/fmr2016f/SAFMR-Final-Rule.pdf</a>.

#### Q2: Is my PHA required to implement Small Area FMRs?

- A2: In the November 2016 Small Area FMR Rulemaking, HUD identified 24 metropolitan areas where the use of Small Area FMRs is required in the administration of the Housing Choice Voucher (HCV) program. HUD has identified an additional 41 metropolitan areas to begin using SAFMR in 2024. The following list contains the 65 metropolitan areas along with their county, city, or town components. HUD expects that any PHA<sup>12</sup> administering a voucher tenant or voucher program in one of these areas will use Small Area FMRs for this task.
  - 1. Akron, OH MSA. OH Counties: Portage, Summit
  - 2. <u>Augusta-Richmond County, GA-SC HUD Metro FMR Area.</u> GA Counties: Burke, Columbia, McDuffie, Richmond. SC Counties: Aiken, Edgefield
  - 3. <u>Atlanta-Sandy Springs-Roswell, GA HUD Metropolitan FMR Area (HMFA).</u>
    GA Counties: Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta,
    Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Heard, Henry,
    Jasper, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, Walton
  - 4. Beaumont-Port Arthur, TX MSA. TX Counties: Hardin, Jefferson, Orange
  - 5. Bergen-Passaic, NJ HMFA. NJ Counties: Bergen, Passaic
  - 6. <u>Birmingham-Hoover, AL HUD Metro FMR Area.</u> AL Counties: Bibb, Blout, Jefferson, St. Clair, Shelby
  - 7. Buffalo-Cheektowaga-Niagara Falls, NY MSA. NY Counties: Erie, Niagra
  - 8. <u>Charleston-North Charleston, SC MSA.</u> SC Counties: Berkeley, Charlseton, Dorchester
  - 9. <u>Charlotte-Concord-Gastonia, NC-SC HMFA.</u> NC Counties: Cabarrus, Gaston, Mecklenburg, Union; SC County: York
  - 10. <u>Chattanooga, TN-GA MSA.</u> GA Counties: Catoosa, Dade, Walker. TN Counties: Hamilton, Marion, Sequatchie
  - 11. <u>Chicago-Joliet-Naperville, IL HMFA.</u> IL Counties: Cook, DuPage, Kane, Lake, McHenry, Will

<sup>&</sup>lt;sup>1</sup> As stated in the rule and in PIH Notice 2018-01, Moving-To-Work (MTW) PHAs may not be required to use Small Area FMRs. MTW PHAs should reach out to the MTW Office if there are any questions.

- 12. <u>Cincinnati, OH-KY-IN HUD Metro FMR Area.</u> IN Counties: Dearborn, Ohio. KY Counties: Boone, Bracken, Campbell, Gallatin, Kenton, Pendleton. OH Counties: Butler, Clermont, Hamilton, Warren
- 13. <u>Cleveland-Elyria, OH MSA.</u> OH Counties: Cuyahoga, Geauga, Lake, Lorain, Medina
- 14. Colorado Springs, CO HMFA. CO County: El Paso
- 15. <u>Columbus, OH HUD Metro FMR Area.</u> OH Counties: Delaware, Fairfield, Franklin, Licking, Madison, Morrow, Pickaway
- 16. <u>Dallas, TX HMFA.</u> TX Counties: Collin, Dallas, Denton, Ellis, Hunt, Kaufman, Rockwall
- 17. <u>Dayton-Kettering, OH MSA.</u> OH Counties: Greene, Miami, Montgomery
- 18. <u>Des Moines-West Des Moines, IA HUD Metro FMR Area.</u> IA Counties: Dallas, Guthrie, Madison, Polk, Warren
- 19. <u>Detroit-Warren-Livonia</u>, <u>MI HUD Metro FMR Area.</u> MI Counties: Lapeer, Macomb, Oakland, St. Clair, Wayne
- 20. Fort Lauderdale, FL HMFA. FL County: Broward
- 21. Fort Wayne, IN MSA. IN Counties: Allen, Whitley
- 22. Fort Worth-Arlington, TX HMFA. TX Counties: Johnson, Parker, Tarrant
- 23. *Gary, IN HMFA*. IN Counties: Lake, Newton, Porter
- 24. <u>Greensboro-High Point, NC HUD Metro FMR Area.</u> NC Counties: Guilford, Randolph
- 25. Harrisburg-Carlisle, PA MSA. PA Counties: Cumberland, Dauphin, Perry
- 26. Hartford-West Hartford-East Hartford, CT HMFA. CT Counties and Towns: Hartford County towns of Avon town, Berlin town, Bloomfield town, Bristol town, Burlington town, Canton town, East Granby town, East Hartford town, East Windsor town, Enfield town, Farmington town, Glastonbury town, Granby town, Hartford town, Hartland town, Manchester town, Marlborough town, New Britain town, Newington town, Plainville town, Rocky Hill town, Simsbury town, Southington town, South Windsor town, Suffield town, West Hartford town, Wethersfield town, Windsor town, Windsor Locks town. Middlesex County towns of Chester town, Cromwell town, Durham town, East Haddam town, East Hampton town, Haddam town, Middlefield town, Middletown town, Portland town, Tolland County towns of Andover town, Bolton town, Columbia town, Coventry town, Ellington town, Hebron town, Mansfield town, Somers town, Stafford town, Tolland town, Union town, Vernon town, Willington town
- 27. <u>Indianapolis-Carmel, IN HUD Metro FMR Area.</u> IN Counties: Boone, Brown, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, Shelby
- 28. Jackson, MS HMFA. MS Counties: Copiah, Hinds, Madison, Rankin
- 29. Jacksonville, FL HMFA. FL Counties: Clay, Duval, Nassau, St. Johns

- 30. Jersey City, NJ HUD Metro FMR Area. NJ County: Hudson
- 31. <u>Kansas City, MO-KS HUD Metro FMR Area.</u> KS Counties: Johnson, Leavenworth, Linn, Miami, Wyandotte. MO Counties: Caldwell, Cass, Clay, Clinton, Jackson, Lafeyette, Platte, Ray
- 32. <u>Knoxville, TN HUD Metro FMR Area.</u> TN Counties: Anderson, Blount, Knox, Loudon, Union
- 33. <u>Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area.</u> CA County: Los Angeles
- 34. <u>Louisville, KY-IN HUD Metro FMR Area.</u> IN Counties: Clark, Floyd, Harrison. IN Counties: Bullitt, Henry, Jefferson, Oldham, Spencer
- 35. <u>Memphis, TN-MS-AR HUD Metro FMR Area.</u> AR County: Crittenden. MS County: DeSoto. TN Counties: Fayette, Shelby, Tipton
- 36. <u>Miami-Miami Beach-Kendall, FL HUD Metro FMR Area.</u> FL County: Miami-Dade
- 37. Mobile, AL HUD Metro FMR Area. AL County: Mobile
- 38. Monmouth-Ocean, NJ HMFA. NJ Counties: Monmouth, Ocean
- 39. <u>Montgomery</u>, <u>AL MSA.</u> AL Counties: Autauga, Elmore, Lowndes, Montgomery
- 40. <u>Nashville-Davidson--Murfreesboro--Franklin, TN HUD Metro FMR</u>
  <u>Area.</u> TN Counties: Cannon, Cheatham, Davidson, Dickson, Robertson, Rutherford, Sumner, Trousdale, Williamson, Wilson
- 41. North Port-Sarasota-Bradenton, FL MSA. FL Counties: Manatee, Sarasota
- 42. <u>Oklahoma City, OK HUD Metro FMR Area.</u> OK Counties: Canadian, Cleveland, Logan, McClain, Oklahoma
- 43. <u>Omaha-Council Bluffs, NE-IA HUD Metro FMR Area.</u> IA Counties: Harrison, Mills, Pottawattamie. NE Counties: Cass, Douglas, Sarpy, Washington
- 44. <u>Orlando-Kissimmee-Sanford, FL MSA.</u> FL Counties: Lake, Orange, Osceola, Seminole
- 45. Oxnard-Thousand Oaks-Ventura, CA MSA. CA County: Ventura
- 46. Palm Bay-Melbourne-Titusville, FL MSA. FL County: Brevard
- 47. <u>Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA.</u> PA Counties: Bucks, Chester, Delaware, Montgomery, Philadelphia. NJ Counties: Burlington, Camden, Gloucester, Salem. DE County: New Castle. MD County: Cecil
- 48. <u>Phoenix-Mesa-Scottsdale, AZ MSA.</u> AZ Counties: Maricopa, Pinal
- 49. <u>Pittsburgh, PA HMFA.</u> PA Counties: Allegheny, Beaver, Butler, Fayette, Washington, Westmoreland
- 50. Raleigh, NC MSA. NC Counties: Franklin, Johnston, Wake
- 51. <u>Sacramento--Roseville--Arden-Arcade, CA HMFA.</u> CA Counties: El Dorado, Placer, Sacramento

- 52. <u>San Antonio-New Braunfels, TX HMFA.</u> TX Counties: Bandera, Bexar, Comal, Guadalupe, Wilson
- 53. San Diego-Carlsbad, CA MSA. CA County: San Diego
- 54. <u>San Jose-Sunnyvale-Santa Clara, CA HUD Metro FMR Area.</u> CA County: Santa Clara
- 55. Seattle-Bellevue, WA HUD Metro FMR Area. WA Counties: King, Snohomish
- 56. <u>St. Louis, MO-IL HUD Metro FMR Area.</u> IL Counties: Calhoun, Clinton, Jersey, Madison, Monroe, St. Clair. MO Counties and Cities: Franklin, Jefferson, Lincoln, St. Charles, St. Louis, Warren, St. Louis city, Sullivan part
- 57. <u>Tampa-St. Petersburg-Clearwater, FL MSA.</u> FL Counties: Hernando, Hillsborough, Pasco, Pinellas
- 58. Tucson, AZ MSA. AZ County: Pima
- 59. <u>Tulsa, OK HUD Metro FMR Area.</u> OK Counties: Creek, Osage, Rogers, Tulsa, Wagoner
- 60. Urban Honolulu, HI MSA. HI County: Honolulu
- 61. Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area. NC County: Currituck. VA Counties and Cities: Gloucester, Isle of Wight, James City, Mathews, York, Chesapeake city, Hampton city, Newport News city, Norfolk city, Poquoson city, Portsmouth city, Suffolk city, Virginia Beach city, Williamsburg city
- 62. Washington-Arlington-Alexandria, DC-VA-MD HMFA. The District of Columbia. VA Counties and Cities: Arlington, Clarke, Fairfax, Fauquier, Loudoun, Prince William, Spotsylvania, Stafford, Alexandria city, Fairfax city, Falls Church city, Fredericksburg city, Manassas city, Manassas Park city. MD Counties: Calvert, Charles, Frederick, Montgomery, Prince George's
- 63. West Palm Beach-Boca Raton, FL HMFA. FL County: Palm Beach
- 64. Wichita, KS HUD Metro FMR Area. KS Counties: Butler, Harvey, Sedgwick
- 65. Winston-Salem, NC HUD Metro FMR Area. NC Counties: Davie, Forsyth, Stokes, Yadkin
- Q3: If an area is designated for mandatory adoption of SAFMRs in one year and then some time later no longer meets the criteria for selection, then are PHAs operating in that area still required to use SAFMRs in setting their payment standards?
- A3: Once an area has been designated for mandatory use of SAFMRs, the area remains subject to SAFMRs. The regulation at 24 CFR 888.113(c)(4) states: "HUD will designate Small Area FMR areas at the beginning of a Federal fiscal year, [and] such designations will be permanent."

Q4: Are Small Area FMRs applicable to the Mod Rehab program?

A4: No. Small Area FMRs do not apply to the Mod Rehab program.

#### **SAFMR Values**

- Q5: Where may I find Small Area FMR values?
- A5: The Small Area FMR values for all areas are available within a Microsoft Excel workbook (under the "Data" tab) at:

  <a href="https://www.huduser.gov/portal/datasets/fmr/smallarea/index.html#d">https://www.huduser.gov/portal/datasets/fmr/smallarea/index.html#d</a>
  ata 2024
- Q6: Is there a way for me to look up the SAFMR for a specific area?
- A6: HUD maintains a Small Area FMR lookup system which will provide the Small Area FMR values by specific area. This system is accessed by pressing the "Look Up FY 2018 Small Area FMRs" button available at: https://www.huduser.gov/portal/datasets/fmr/smallarea/index.html#data\_2024
- Q7: Using geocoding software, I've determined that the ZIP Code associated with the address of a property doesn't match the ZIP Code Tabulation Area for the location of the same property. What Small Area FMR value should I use?
- A7: HUD uses ZIP Code Tabulation Area (ZCTA) data from the American Community Survey to calculate most Small Area FMR values. In general, HUD equates the 5-digit ZCTA to a 5-digit ZIP Code. According to the Census Bureau, most ZCTAs are the same as ZIP Codes (<a href="https://www.census.gov/geo/reference/zctas.html">https://www.census.gov/geo/reference/zctas.html</a>). The U.S. Postal Service sets ZIP Code boundaries for the efficient delivery of mail and may therefore change ZIP code boundaries more frequently than the Census Bureau changes ZCTA boundaries. In the few cases where the ZIP Code for the property does not match the ZCTA containing the property, HUD will allow the PHA the discretion to use either the Small Area FMR associated with the documented ZCTA for the address or the Small Area FMR corresponding to the ZIP Code associated with property address.

#### **Success Rate Payment Standards**

- Q8: My agency currently has Success Rate Payment Standards (SRPS) in effect. With the conversion to Small Area FMRs, do these SRPS remain effective?
- A8: Success Rate Payment Standards are a form of Exception Payment Standard. Paragraph 5(c)(i) of Notice PIH 2018–01 states "Exception payment standards that were approved prior to the adoption of SAFMRs may remain in effect, subject to the conditions in the approval letter." Therefore, if the terms of the SRPS approval letter continue to be met, the SRPS may remain in effect.

#### **Moving to Work PHAs**

- Q9: HUD will exempt an MTW PHA in a mandatory SAFMR area from adopting SAFMRs, provided the agency "has an alternate payment standards policy in its HUD-approved Annual MTW Plan or MTW Supplement to the PHA Plan." HUD however referred to "alternate rent policies" in the SAFMR final rule when it addressed exempting MTW PHAs. Is HUD using "alternate rent policies" and "alternate payment standards" interchangeably?
- A9: HUD used the term "alternative payment standards policy" in the PIH Notice 2018-01 in order to provide more specific guidance on the policies that exempt MTW agencies from implementing SAFMRs. To clarify, an alternative payment standards policy affects the setting of an MTW agency's payment standards as approved by HUD in the Annual MTW Plan or MTW Supplement to the PHA Plan; such policies include, for example, establishing local submarket based payment standards or multi-tiered payment standards, or the setting of payment standards above the basic range of 90 to 110 percent of the Fair Market Rent. If the MTW PHA has established a HUD-approved policy that affects how payment standards are set or used in the HCV program, then the MTW PHA may seek an exemption per guidance sent by the MTW Office to MTW PHAs in mandatory SAFMR metropolitan areas from the use of SAFMRs to test the effectiveness of the alternative MTW policy.
- Q10: The PIH Implementation Notice (Notice PIH 2018–01) states that an MTW agency that operates in a metropolitan area where the adoption of SAFMRs is mandatory may be exempt from using SAFMRs if the agency has adopted an "alternative payment standards policy" as part of its HUD-approved Annual MTW Plan or MTW Supplement to the PHA Plan. How does HUD define an "alternative payment standards policy"?
- A10: An "alternative payment standards policy" is a policy that involves payment standards that an MTW agency may adopt following HUD approval in the Annual MTW Plan or MTW Supplement to the PHA Plan. For example, an MTW agency may adopt a policy establishing its own submarket based payment standards, multi-tiered payment standards, or the setting of its payment standards above the basic range of 90 to 110 percent of the Fair Market Rent (e.g., 130 percent).

- Q11: If an MTW agency wishes to request a suspension of the SAFMR designation or a temporary exemption from the use of SAFMRs, may it do so, or are MTW agencies limited to pursuing exemption via an alternative payment standards policy?
- A11: An MTW agency is not precluded from pursuing a suspension or temporary exemption from the use of SAFMRs, as described in paragraph (9) of Notice PIH 2018–01.

### **Payment Standard Reduction Policies**

# Q12: What happens if the payment standard decreases for some families when adopting SAFMR?

A12: Current regulations provide PHAs with three options for applying decreases in payment standard amounts to families under HAP contract on the effective date of the decrease in the payment standard amount. Specifically, a PHA may adopt one of the policies listed below if there is a decrease to the payment standard schedule during the term of a family's HAP contract: (i) Hold harmless — no reduction in subsidy. A PHA may continue to use the existing higher payment standard for the family's subsidy calculation for as long as the family continues to receive the voucher assistance in that unit. (ii) Gradual reduction in subsidy. A PHA may gradually reduce the payment standard amount used to calculate the family's subsidy, phasing in the reduction. The initial reduction in payment standard cannot take place before the effective date of the family's second regular reexamination following the effective date of the decrease in payment standard. Phased-in reductions may proceed annually from the second regular reexamination until the payment standard amount for the family meets the normally applicable payment standard amount on the PHA's voucher payment standard schedule. (iii) No change in policy. A PHA may continue to use the lower payment standard to calculate the family's HAP beginning at the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard. A PHA's Administrative Plan must indicate how it will handle decreases in the payment standard amount for families under HAP contract.

# Q13: Must a PHA's 12-month written notice to a family state what the family's reduced payment standard amount will be?

A13: The purpose of the 12-month written notice is to provide a family with adequate time to make plans in light of the reduced payment standard amount. Options available to the family include remaining in the unit and paying more, moving to another unit, or even making decisions with respect to their employment. Having notice of a payment standard reduction without also being made aware of the new payment standard amount provides the family with inadequate information and therefore falls short of the purpose of the 12-month notice. Because the PHA will not always know what the amount of the reduced payment standard will be, the PHA is required to inform that family that the reduced payment

- standard amount will be <u>the higher of</u> the amount calculated by the PHA (for example, a 5 percent reduction over the prior year's payment standard amount, if reductions are being phased in by 5 percent per year) or the amount on the PHA's payment standard schedule. The PHA's 12-month written notice to the family must tell the family where to find the PHA's payment standard schedule.
- Q14: What happens when the voucher subsidy changes for a family that is subject to a hold harmless policy? For example, the family has been living in a 3-bedroom unit with a 3-bedroom voucher, but the family's composition changes and they now qualify for a 2-bedroom voucher.
- A14: The PHA uses the appropriate payment standard from the current payment standard schedule at the time of the family's next re-exam.
- Q15: If a family is subject to a hold harmless policy and remains in the same unit but needs to execute a new HAP, for example due to a change in the utility allowance, then does the hold harmless policy still apply to that family?
- A15: A PHA has the discretion to establish a policy that holds a family harmless in cases where the family remains in its unit and is continuously assisted under the HCV program (i.e., there is no break in HCV assistance provided on behalf of the family). Execution of a new HAP contract, as in the example provided in the question, does not alter the PHA's discretion. A PHA may also choose to limit any hold harmless policy to cases in which a family remains under the HAP contract that was in effect at the time of the effective date of the decrease in the payment standard, even if the family remains in its unit and is continuously assisted under the HCV program. A PHA must make clear in its Administrative Plan whether any policy protecting families from a decrease in the payment standard will apply only for the duration of the HAP contract.

## **Payment Standards Within the Basic Range**

Q16: Notice PIH 2018–01 discusses payment standard groupings. Must two areas be contiguous in order for them to be grouped under one payment standard?

A16: No. There is no requirement that areas be contiguous for them to be included in a payment standard grouping as described in Notice PIH 2018–01.

- Q17: My PHA's jurisdiction includes areas where the use of SAFMRs is mandatory and areas where the use of SAFMRs is not mandatory. Must we use SAFMRs to set payment standards for all voucher families, even if they live in an area where the use of SAFMRs is not required? Or must we use SAFMRs to set payment standards only for families who choose to reside in areas where the use of SAFMRs is required?
- A17: SAFMRs must be used to set payment standards only for families who choose to reside in areas where the use of SAFMRs is mandatory. If your agency is a mandatory SAFMR adopter and you serve a family that chooses to reside outside of a mandatory SAFMR area, then your agency would use the metropolitan area FMR (or the non-metro county FMR) for the area in setting that family's payment standard amount.

#### Suspensions, Exemptions, Waivers

- Q18: If a PHA is required to adopt SAFMRs but has applied for a suspension or temporary exemption from their use, does it need to move forward with implementation of SAFMRs, or can it continue to operate under metropolitan area FMRs until HUD has rendered a decision?
- A18: SAFMRs are in effect for all agencies that are required to use them in establishing payment standards for the voucher program. Such agencies must work as quickly as possible to revise any payment standard amounts that fall outside of the SAFMR-based basic range. A request for a suspension or temporary exemption does not suspend or exempt the PHA from complying with the mandatory use of SAFMRs. The PHA must continue to move forward with implementation unless and until HUD suspends the SAFMR designation or temporarily exempts the PHA.
- Q19: Notice PIH 2018–01 provides a nonexclusive list of adverse rental housing market conditions to support a suspension/temporary exemption request. What documentation must a PHA provide with its request?
- A19: The examples provided in Notice PIH 2018–01 are just that examples. The actual adverse conditions in the local rental housing market are what matter. PHAs must do their best to document such adverse conditions, which may be caused or exacerbated by the use of Small Area FMRs in setting payment standards. HUD will review PHA documentation on a case-by-case basis to assess whether there is sufficient evidence that an adverse rental housing market condition exists to warrant a suspension or temporary exemption. HUD will then either grant or deny the request for a suspension or temporary exemption.

#### **Project-Based Voucher Program**

- Q20: Our PHA is required to adopt SAFMRs, but we are not going to apply SAFMRs to our PBV program. If we have an HCV-assisted tenant residing in one of our partially assisted PBV-assisted projects (in a unit that is not included in the PBV HAP contract), then must we use SAFMRs to calculate that tenant's payment standard amount?
- A20: Yes, if the project is located in an area where the use of SAFMRs is mandatory, then your agency must use the HCV payment standard (based on the SAFMRs) to calculate the HAP for any HCV tenant-based families residing in the project. There is no separate payment standard or different subsidy calculation for an HCV tenant-based family who resides in a project where some of the other units are assisted under a PBV HAP contract.
- Q21: Our agency has adopted SAFMRs for our tenant-based program. We do not want to adopt SAFMRs for our PBV program in its entirety. May we apply SAFMRs to existing PBV-assisted projects on a case-by-case basis? The regulation states: "Where the PHA notice of owner selection under 24 CFR 983.51(d) was made on or before the effective dates of both the Small Area FMR designation and the PHA administrative policy, the PHA and owner may mutually agree to apply the Small Area FMR."
- A21: The language you cite applies only in cases in which a PHA is employing SAFMRs for its tenant-based program and chooses to apply SAFMRs to its PBV program, so it does not apply to your agency. As HUD indicated in the preamble to the SAFMR rule, "if a PHA is operating its tenant-based program under the Small Area FMRs, the PHA may apply Small Area FMRs to all future PBV projects if it establishes such a policy in its PHA administrative plan. In such a case, the PHA may also choose to...establish a policy that allows the PHA to apply the Small Area FMRs to current PBV projects, provided the owner is willing to mutually agree to do so.
- Q22: We are not going to apply SAFMRs to our PBV program. We had a property that was under AHAP at the time we adopted SAFMRs for our tenant-based program. When we go under HAP, will the rent to owner be capped at 110 percent of the SAFMR or the metropolitan area FMR?
- A22: The AHAP provides only "estimated initial rents to owner for the contract units" (24 CFR §983.152(d)(vii)). The actual initial rent to owner is established in the HAP contract. The regulation provides that the rent to

owner may not exceed "110 percent of the applicable fair market rent (or any exception payment standard approved by the Secretary)." Since your agency has not applied SAFMRs to its PBV program, the "applicable fair market rent" will be the metropolitan area (or non-metro county) fair market rent.

#### **Portability**

- Q23: Our agency has insufficient funding to support portability moves. We have provided notice of this to our local HUD office, per 24 CFR 982.354(e)(1). If a family wishes to port to a PHA where SAFMRs are in effect, how will we know whether the family intends to move to a higher-cost or a lower-cost ZIP code? How will we know whether to deny the move?
- A23: Your agency may approve the move but indicate to the family that their payment standard must not exceed the payment standard in effect within your agency's jurisdiction. For example, if the family requires a 2-bedroom unit, and the payment standard for a 2-bedroom unit in your jurisdiction is \$800, then the family's port may be approved subject to the condition that your agency's HAP to the receiving PHA will be based on a payment standard that does not exceed \$800.
- Q24: Our agency has insufficient funding to support portability moves. We have provided notice of this to our local HUD office, per 24 CFR 982.354(e)(1). In addition, our agency does not require a family to reside within our jurisdiction for 12 months prior to porting out. In this case, what payment standard would apply when considering whether to approve or deny a request to port?
- A24: The payment standard that would apply to the family in this instance is the highest payment standard for which the family would qualify if they chose to reside within your jurisdiction. For example, if the family requires a 2-bedroom unit, and the highest payment standard for a 2-bedroom unit within your jurisdiction is \$1,200, then the family's port may be approved subject to the condition that your agency's HAP to the receiving PHA will be based on a payment standard that does not exceed \$1,200.

### **Budget Forecasting/Payment Standard Tools**

Q25: I know that HUD has a budget forecasting tool (Two Year Tool – TYT) and a Payment Standard Tool (PST). How do I access these tools?

A25: An overview of the TYT and PST are available at: <a href="https://www.hud.gov/sites/documents/TYT">https://www.hud.gov/sites/documents/TYT</a> PST OVERVIEW.PDF. Instructions on how to access these tools are available in the overview document; alternatively, a PHA may reach out to their HUD Field Office representative for assistance in accessing these tools.

#### **SEMAP**

Q26: Is my PHA required to list all of our FMRs/Payment Standards in SEMAP?

A26: Yes. SEMAP has the capability of accepting multiple FMR/Payment Standards records from a PHA. Nothing in the Small Area FMR rulemaking changed the rules regarding SEMAP reporting.

Q27: If my Agency is SEMAP troubled, do I still need to implement SAFMRs?

A27: Yes. PHAs that are SEMAP troubled still need to implement SAFMRs.